

# Commission on Streamlining Government

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Lansing Kolb  
Mike Michot, Senator  
Jim Morris, Representative



P. O. Box 44481  
Baton Rouge, LA 70804  
Telephone: (225) 342-2762  
or 1-800-205-9873  
Facsimile: (225) 342-9784  
email: [streamline@legis.state.la.us](mailto:streamline@legis.state.la.us)

**Commission Staff**  
Jerry J. Guillot, *Administrator*  
Tim Prather, *Coordinator*  
Trudy Fourmy, *Secretary*

## Advisory Group on IT Integration

Minutes of Meeting  
Tuesday,  
October 6, 2009  
**APPROVED, October 21, 2009**

### I. CALL TO ORDER

A meeting of the Advisory Group on IT Integration was held on Tuesday, October 6, 2009 in Room A-B at the State Capitol in Baton Rouge, Louisiana. The chairman, Senator Mike Michot, called the meeting to order at 10:17 a.m.

### II. ROLL CALL

The chairman called the roll and the following was noted:

#### **MEMBERS PRESENT:**

Senator Mike Michot  
Commissioner Angele Davis  
Patrick Thompson  
Della Bonnette

#### **MEMBERS ABSENT:**

Senator Duplessis

#### **STAFF PRESENT:**

J. W., Coordinator  
Cheryl Horne, Attorney  
Yvette Guilbeau, Secretary  
Jay Lueckel, Budget Analyst  
Evan Brasseaux, Education Section Director  
Michael Boutte, Sr. Auditor

**WITNESSES:**

Cathilea Robinedtt, Executive Director, Center for Digital Government  
Ed. Driesse, CIO, Office of Information Technology  
Erin Bielkiewicz, Dept. of Public Safety  
Col. Mike Edmonson, Dept. of Public Safety  
Scott Erwin , Asst. Director, Dept of Public Safety  
Jill Boudreaux, Dept. of Public Safety  
Kristy Nicols, Dept. of Social Services  
Ruth Johnson, Dept. of Social Services  
Micheal Bridges, Undersecretary, Dept. of Transportation and Development  
Clay Masters, BidBridges, LLC  
Sylvia Vaught, DOA-LAGov

**III. APPROVAL OF MINUTES**

Senator Michot made a motion to approve the minutes from the September 29, 2009, advisory group meeting. There being no objection, said minutes were adopted.

**IV. PRESENTATION**

Senator Mike Michot, Chairman, stated that three presentations were going to be given today. He introduced Cathilea Robinett, Executive Director, Center for Digital Government. Ms. Robinett begins by explaining that the Center for Digital Government is a national research and advisory institution that deals with state, cities and counties across the nation. She begins by showing what other states are doing in this area of consolidation. She has pulled together some returns on investments, cost savings and some real examples of what is going on across the nation.

The presentation starts with her walking the members through the concept of centralization and explains how Louisiana is definitely with other states in looking at the whole concept of streamlining government and saving the state money.

**To view this presentation you can access it at [www.legis.state.la.us](http://www.legis.state.la.us), Streamlining Government Commission- Presentations**

After the presentation Ms. Robinett asks the members if they have any questions.

Senator Michot asks if any of the other states have job statistics or figures as to how many positions on average can be eliminated by and investment in Information Technology (IT) and is there anything that we can use to compare our state.

Ms. Robinett explains that they went out looked and benchmarked and got hard facts from other states. For example Georgia had ninety-two positions eliminated. In Utah they were able to do the same but did it in a very gradual way. Some of the other states were not a matter of position elimination but, redeploying people into other areas once they

streamlined. It also depends on the labor in the different states. She did not know how many positions were eliminated in these states but stated that everyone has a different approach and that California is looking more at the redundancy. The cost savings alone has been enough for most states to go ahead with IT.

Com. Davis wanted to know how familiar Ms. Robinett was with Louisiana's IT statewide policies and planning. She states that she's has watched this state for the past ten years since they do the digital state survey in which they rank all 50 states and are familiar with how our state is organized. She was very happy in seeing us looking in this direction because building for the enterprise makes a lot of sense and consolidating just makes sense across the board. Com. Davis wanted to know what the state's ranking was right now. Ms. Robinett stated that we were ranked 21<sup>st</sup>.

Com. Davis wanted to know if she was familiar with Act 772 of the 2001 R.S. that created the office of CIO and the office of information technology in the state of Louisiana. Ms. Robinett stated she was some what familiar with it. Com. Davis explains that this legislation sets up the frame work for a consolidated system and was passed in 2001. Com. Davis asked if she was familiar with our LaTrack web portal that tracks all of the state's expenditures on a monthly basis though out all state government including expenditures from the operating budget, contracts and professional services. Ms. Robinett understood it to be a transparency portal. Ms. Robinett wanted to know if we passed transparency legislation and was told the state had. Ms. Robinett stated she looked forward to helping us with our rankings and to sit with the streamlining members to go over everything and to give feedback.

Sen. Michot addresses the committee asking them if they have any questions. There being none he thanked Ms. Robinett for her presentation and looked forward to working with them as the committee moves forward through the process.

Sen. Michot introduces Ed Driesse, CIO, from Office of Information Technology. Mr. Driesse begins by stating that after listening to the testimony over the last few meetings he believes that everyone is on board with a common direction and how nice it is to be in that position. He begins his presentation by talking about streamlining government through IT service delivery. He explains that without service delivery there will be cuts made that will make a lot of unhappy people especially those who are not getting the service that is needed. There are three themes to his presentation. The first theme is doing more with less, the second is shared services and consolidation, the third is effective and efficient service delivery and how do they measure up. He has divided the application into two parts the first part deals with infrastructures, and the second part will be about application of ERP.

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Sen. Michot asks Mr. Driesse how much money the state has invested so far. He states that about half the money is invested. Sen. Michot asks that if they were to put a halt to the project in light to the state's fiscal crisis would the state lose a good portion if not all of its investment. Mr. Driesse states we would retain only the licences but for the most part the state would lose 50 million dollars if this project was to be stopped at this stage of the game.

As he concludes his presentation, Mr. Driesse offers a recommendation on the ERP project. He states that we should stick with this project until it is implemented. Sen. Michot asks about the legacy systems which are the existing systems that are already in place. Mr. Driesse states that in order to upgrade DOTD it would cost an additional 40 million dollars besides the 50 million that has already been spent on the rest of the project. The reason for that cost is because they are implementing the same number of modules and that is why the cost is as high as it is.

Sen. Michot states that with the LAGov project the state receives federal dollars whether it is stimulus or matching funds and that certain requirements have to be met and this information has to be provided to the federal government. He wants to know if this could help us through that process. Mr. Driesse agrees and states that at this time DOTD cannot provide the necessary reporting to the government and if they cannot do this they will not be reimbursed. He explains that they need LAGov to straighten this out. Sen. Michot agrees that the LAGov project will help to provide the information in a timely manner so the federal funds can be drawn down quicker. Mr. Driesse states that LAGov is going to provide the integration needed with the systems in order for it to work.

Sen. Michot asked if Higher Education was out and if maybe at a later date it can be involved. He also wanted to know who is and is not participating in the ERP projects. Mr. Driesse states that all of the agencies are participating except for Higher Ed.

Sen. Michot wanted to know if all statewide officials are participating since there was some resistance with ERP project. Mr. Driesse stated that there is a stale mate in this project and it is the Treasure's office. He explains that in order for the project to work this issue has to be resolved since it is critical for this project. Sen. Michot wanted to know if the Treasure's office had opted in or out. Mr. Driesse explains that they have done everything they know how to do in terms of trying to engage them to be active participants in this project. They have reached out numerous times and have placed a consultant in the office to help with their resource load. The consultant was familiar with the Dept. of Treasury in other states and that he was not a rookie, yet progress has still not been made within that office.

Sen. Michot asked again if the Treasure's office was in or out. Mr. Driesse response is they are out. Sen. Michot confirms that by stating they are not participating and have not agreed to participate at this point in the ERP process. Mr. Driesse agrees with that statement.

Sen. Michot wants to know how important overall is that department to the function of state government. Mr. Driesse explains their part in the system is really small when you get right down to it, but when you start talking about the fund structure and how it will work, the Dept. of Treasury would definitely have a say in it. He further states that we need everyone rowing in the same direction and we should all be in this together.

Sen. Michot calls Col. Mike Edmonson, Dept. of Public Safety and his staff to testify on behalf of the department. Col. Edmonson states how interesting it is listen to Mr. Driesse talk about rowing and how we need to work together to completely streamline and create efficiencies within government and how it needs to be a team effort. He states that it's very difficult to accomplish this when a department chooses to not participate. He explains a little about public safety and the information he has available. He explains the budget and the funds that are available to the department. He states they are a cash flow agency. He goes on to explain what LAGov means to the department.

He turns the discussion over to Jill Boudreaux, the undersecretary for the DPS. She explains how the money is collected and how they are having to rob from one fund to pay the other and are having to keep up with all of this on an offline system. A new system would allow them to have all the access that is needed to get the information out.

Sen. Michot asks for an example. She explains it is like and an offline legacy. Scott Erwin, Asst. Director, Dept. of Public Safety states that their legacy system is in the neighborhood of 25 to 30 years old. A lot of the offline tracking they provide is done through Excel. Ms. Boudreaux explains that DPS is the pilot for accounts receivable, warehousing and inventory. Erin Bielkiewicz, Dept. of Public Safety speaks on behalf of the inventory system. She states it is an offline system and they maintain it themselves. Mr. Erwin comments on the receivables and states they are tracked in subsidiaries systems and have billing receivables systems that deal with the statewide system they have now. He further talks about the legacy systems and its components.

Sen. Michot thanks Col. Edmonson and his staff for their testimony.

Sen. Michot calls Kristy Nicols, Secretary with Dept. of Social Services (DSS) to give testimony on behalf of the department. She explains that the undersecretary for the department has been working very closely with Mr. Driesse on matching their efforts for being on board with the ERP system as it becomes available online. She feels ERP is going to provide tremendous ease in the budget preparation process. She states it will give them a greater ability to track their activities within the department. Ruth Johnson, undersecretary, with DSS testifies on behalf of the ERP system. She states that the improvement of the departments services will happen because of the departments modernization efforts. DSS will be able to see what contracts they have and where they are spending their money. This will give the citizens greater assurance that DSS is using the state's resources to the best of their ability. Sen. Michot thanks the departments for their testimonies.

Sen. Michot introduces Micheal Bridges, undersecretary with the Dept. of Transportation and Development (DOTD). Mr. Bridges begins his presentation which gives an overview on how the ERP system will help DOTD make changes within their department. He begins his presentation with pictures and explains it will not take long to give the presentation. He gives copies of the presentation to the members. He gives details on how ERP is going to affect DOTD and how complicated the DOTD systems are. He states that they have already taken the first step in moving toward ERP. He goes over with the members the handout he has given them. **For more detailed information you can request a copy of the handout.**

Sen. Michot introduces Clay Masters, with BidBridges, LLC. Mr. Masters begins by thanking the committee and explains about a concept becoming widely used within the government call reverse auction. It relates to procurement and is a practice relating to the process of purchasing. He explains it has been used to a great extent in the private sectors. Organization such as GE and Sun Micro system are using it. He states it has been absent from the public sector for many reasons. One of the reasons is the capital required to typically buy a system that allows you to accomplish this type of practice and also because of the experience on staff. They do not have the experience are expertise to identify when to properly use this type of strategy because it does not apply to everything that they buy. BidBridges is a company who works with 450 different governments in 29 states at every level of government. He states that as he travels through the state's he sees a decrease in revenues and increased expenses. The revenues are being impacted by the lack of consumer sales confidence by decreasing property values and the impact on property tax collection. In reality it is costing more to manage government. He starts with what makes a reverse auction good and what type of technology really harnesses it.

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Com. Davis explains our public bid law does govern political subdivisions and right now it does not provide for reverse auctions. If the IT advisory group wanted to make the recommendation to pass this type legislation the administration would be in support of it. She feels it would be appropriate for the advisory group to look at making this recommendation to the full streamlining commission. Com. Davis feels that this is a good opportunity for the state to achieve cost efficiencies and to maximize our purchasing power. By leveraging a reverse auction and making sure the statutes once passed, would allow the state to do this type of purchasing.

She raises another point that just because the legislation does not allow us to do this, the governor has said that everything is on the table and open for discussion whether it is ERP or reverse auctions which are currently not permitted by our statues. She feels that the statues should not prevent us from making a cost saving recommendation like this particular one.

Sen. Michot states that with the committee's approval he moves to direct the staff to research the law and draft legislation that can be introduced at the next available session to change this law as the commissioner has outlined.

J. W. Wiley, Senate Counsel asks the members if they want to make a recommendation to the commission that legislation be passed in the upcoming session to allow reverse auction. Sen. Michot makes a motion to the committee and states they voted yes to the recommendation.

Mr. Masters concludes his presentation by stating he is available at any time for any questions the committee might have.

Sen. Michot addresses the committee by explaining that the full streamline commission will begin taking recommendations from the various advisory groups at its next meeting. In addition to these previous recommendations by Com. Davis that was just passed, Sen. Michot

would like to discuss the other recommendations. He talks about the ERP project and how the other advisory groups are saying we should halt the ERP process. With all the testimonies he has heard today and with the committees approval he would like to make some recommendations that can be forwarded to the full streamline commission. He suggests that he starts with going over each recommendation and discussing them one at a time and then ultimately voting on them. He recommends that the full streamline commission urge and request the division of administration to;

- Continue implementing the LaGov Enterprise Resource Planning integration.
- Consolidate the state's data processing assets to move to a centralized data environment.
- Continue the implementation of e-mail as a statewide, shared enterprise service.
- Implement an IT spend analysis/agency efficiency scorecard.
- Encourage enterprise IT procurement partnership for systems, services, hardware and software implementation of a project management organization with the Office of Information Technology.
- Implement a single infrastructure for external health care initiatives.
- Implement a management of enterprise data center infrastructure.

These are all recommendation's Sen. Michot offers before this advisory group to be brought to the full streamline commission.

Mr. Wiley asks the committee if they would like to make these single recommendations all in globo are each separately. He states that they can vote on them all together but states if they would like to do it individually they can. Mr. Thompson states that if this is an all or nothing the danger is that if they vote collectively yes or no on all of these verses individual items then some of these would add up to significant savings. Even if some of the recommendations are not adopted, maybe they could vote on them independently then submit them to the commission and to be a safer way to get these things done.

Mr. Wiley replies by stating they can vote on them in committee in globo but make it known that it is going to be each individual recommendation. The committee would just be voting here in globo and then submit them separately to the commission. Sen. Michot states that would be his recommendation. He polls all of the members and there is no objection. He moves that these recommendations individually be submitted to the full streamline commission. Mr. Thompson states that there were some vendors that presented some opportunities to identify revenue sources using information and technology and agrees with Mr. Driesse presentation that infrastructure and plumbing is the first big cost saving consolation of IT. Sen. Michot states he knows there are other vendors wanting to present and wants the committee to hear from them also. He states that today is the first step for the committee to make a statement about ERP as well as changing the law about procurement.

Mr. Thompson states that after listening to all of the presentation today that the Dept. of Treasury has to be part of the recommendation. He states' if you don't have that central core function then it will have a potential to fail.

Sen. Michot states that no agencies should opt out but that there are some who will have a much lower impact than others and with the Dept. of Treasury opting out it would be

a huge disconnect and a missed opportunity for the people of this state and the money that will be lost by the Dept. of Treasury not participating.

Sen. Michot wanted to know if all statewide elected officials were participating and was told that all were except the Dept. of Treasury.

Sylvia Vaught with the Division of Administration states' that all 20 departments are participating on the steering committee and that the Dept. of Treasury has come a few times. She states that the department does participate on the central system and central payroll system and they pay their employees through the central system that is provided to them.

She explains they are trying to figure out where they are not meeting the treasure's business objectives.

Sen. Michot asks Ms. Vaught if the treasure's department is using something more integrated now are do they have an old system just like all the other agencies. She states they are using the current accounting system AFS for cash management. This system was implemented in 1996.

Sen. Michot states that the implementation of ERP is critical and with Dept. of Treasury being the central control agency for the state is a critical part of that and the goal is to make government more efficient streamline and save money down the road.

Sen. Michot would also like to add a recommendation to the previous list that would recommend that all agencies, departments, and statewide elected officials "opt in" to the LaGov (ERP) project. There was no objection by the committee to this recommendation. Sen. Michot thanks everyone for their participation in these recommendations.

Mr. Wiley states that a motion needs to be made on the other recommendations that were brought forward earlier. Sen. Michot makes a motion to vote on them in globo there being no objections they are approved but will be made individually to the full streamlining commission.

## **ADJOURNMENT**

Senator Mike Michot made a motion to adjourn without objections. There being no further business, the meeting was adjourned at 12:24 p.m.

  
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Senator Mike Michot  
Chairman

October 21, 2009  
Date Approved

